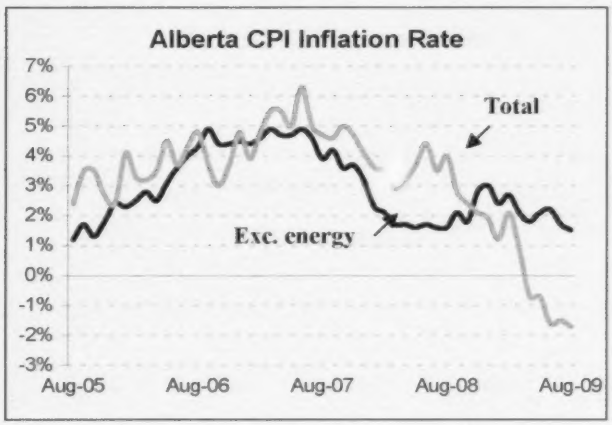
Consumer Price Index

Energy prices continue to drive down inflation…

Although Alberta's year-over-year CPI inflation rate was -1.7% in August, the province is not experiencing widespread deflation. The decline reflects a sharp drop in energy prices from last summer. Compared to August 2008, gasoline prices were down 23.4%, while natural gas was down 53.2%. Excluding energy, Alberta's inflation rate was 1.7%, the lowest since September 2005.

Canadian prices were down 0.8% in the 12 months to August 2009, following a 0.9% decline in July. Again, the decline was primarily due to lower energy prices. Excluding energy, the CPI rose 1.4% between August 2008 and August 2009.



Existing Home Sales

Home resale market stabilizes…

Alberta's home resale market continues to stabilize. After strong increases in recent months, sales in Edmonton dropped 13.8% between July and August, but were up 8.6% from last year. In Calgary, sales were down 2.5% from July, but up 16.8% from August 2008.

Despite the monthly decline in sales, Alberta's resale market saw a year-over-year price increase (0.2%) for the first time since March 2008. However, prices were down slightly from last year in both Calgary (-0.4%) and Edmonton (-3.3%).

Canadian Dollar (US¢/CS)		
	September 18, 2009	93.25
	September 11, 2009	93.06
	2009-10 YTD	88.22
WTI Oil US$/bbl		
	September 17, 2009	$72.47
	September 10, 2009	$71.94
	2009-10 YTD	$63.69
Nymex Natural Gas CS/MMBtu *		
Near-month Contract		
	September 18, 2009	$3.76
	September 11, 2009	$3.58

* Estimate based on Nymex Futures Market Price

Manufacturing Shipments

Shipments continue to decline…

Manufacturing shipments in Alberta declined between June and July. Compared to last year, total manufacturing shipments were down 33.4%. Manufacturing exports remained strong in the last half of 2008, as back-orders were being filled. Since then, weaker new orders and lower prices have caused shipments to decline.

Canadian manufacturing sales increased 5.5% in July, building on the 2.2% increase in June. The motor vehicle, motor vehicle parts and the primary metals industries were the major contributors to the rise in shipments in July.

Wholesale Trade

Wholesale activity stabilizes in July…

Wholesale trade increased by 0.1% in July, after eight consecutive monthly declines. Compared to July 2009, wholesale trade in the province was down 17.2%.

Canadian wholesale trade also picked up in July, largely driven by a 14.2% increase in the automative products sector.

New Motor Vehicle Sales

Alberta vehicle sales increased in July…

Albertans drove 15,697 (seasonally adjusted) new cars and trucks off dealers' lots in July, a 2.2% increase from June. Compared to last year, sales were 18.6% lower.

Alberta

CURRENT ECONOMIC INDICATORS

September 18, 2009

Overall Economy	2007	2008	2009YTD*	Mar	Apr	May	Jun	Jul	Aug
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,654	--	3,654	--	--	--	--
% change	2.6	2.1	2.6	--	2.7	--	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	18,269	--	7,144	--	--	--	--
Net International Migration[1] (level)	16,136	19,283	13,179	--	4,175	--	--	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	17,557	--	4,626	--	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,992	1,987	1,993	1,994	1,990	1,986	1,979
% change	4.7	2.8	-0.8	-1.0	-0.9	-1.1	-1.6	-1.6	-1.6
Unemployment Rate (%)	3.5	3.6	6.2	5.8	6.0	6.6	6.8	7.2	7.4
Average Hourly Wage Rate	6.0	5.7	5.0	3.6	4.3	5.0	6.1	4.6	5.9
Average Weekly Earnings[2]	5.8	6.0	4.6	4.8	2.1	4.9	4.3	--	--
Labour Income[3]	11.3	8.4	4.0	3.0	--	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.3	0.9	-0.7	-0.7	-1.6	-1.5	-1.7
NEW! Excluding food and energy	5.0	2.1	1.5	1.4	1.1	1.7	1.6	1.4	1.3
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	-1.0(Q1)	--	--	-11.3(Q2)	--	--
Farm Product Price Index	14.3	11.1	-8.6	-5.0	-6.2	-10.4	-18.6	--	--
Crops	41.4	26.3	-25.7	-23.3	-25.8	-29.5	-33.5	--	--
Livestock	0.7	2.1	8.0	17.1	12.5	0.5	-5.7	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	15.6	11.9	14.2	14.2	20.0	17.6	18.4
% change	-2.1	-39.7	-51.7	-77.0	-53.3	-55.6	-12.7	-38.0	-21.0
New Housing Price Index	22.5	0.7	-9.7	-10.5	-10.7	-9.8	-9.8	-9.3	--
Edmonton	32.1	1.0	-11.7	-12.3	-12.5	-11.7	-11.7	-11.1	--
Calgary	16.2	0.6	-7.7	-8.7	-8.8	-7.9	-8.0	-7.3	--
MLS Average Resale Prices	24.3	-1.4	-6.2	-10.4	-6.8	-5.8	-4.6	-2.4	0.2
NEW! Edmonton	34.3	-2.0	-5.7	-10.1	-7.4	-4.2	-3.8	-3.1	-3.3
Calgary	18.7	-2.9	-8.1	-11.3	-10.1	-8.7	-6.3	-5.2	-0.4
Retail Sales	9.3	-0.1	-10.2	-13.8	-10.1	-11.0	-6.5	--	--
NEW! New Motor Vehicle Sales	3.3	-7.3	-26.0	-31.9	-24.4	-27.8	-22.2	-18.6	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.3	-60.8	-42.0	-39.2	-56.3	-66.2	-62.7
Goods Exports (customs based)	5.3	33.2	-39.9	-36.1	-39.8	-46.0	-39.7	-47.1	--
Energy	4.4	40.9	-46.3	-44.0	-47.2	-51.7	-43.0	-52.3	--
Agriculture	9.8	28.6	-3.1	-3.9	6.9	-17.6	-10.8	-6.0	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	2.8(Q1)	--	--	-10.3(Q2)	--	--
NEW! Manufacturing Shipments	1.1	7.0	-22.9	-14.0	-24.3	-27.4	-27.2	-33.4	--
NEW! Wholesale Trade	5.0	10.9	-10.4	-4.4	-12.2	-20.9	-11.6	-17.2	--
Building Permits	13.4	-16.5	-38.0	-29.9	-40.9	-18.5	-25.2	-32.0	--
Residential	10.7	-31.5	-43.5	-38.9	-44.2	-49.1	-17.8	-9.0	--
Non-residential	17.1	3.7	-32.8	-20.7	-37.3	13.0	-31.0	-50.6	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of April 1, 2009)											
Population	**33,592,686**	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	**3,653,840**	4,435,344
Annual Growth Rate[a]	***1.23%***	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	**2.71%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	**7,144**	-16
Employment											
Level Change (000s)[b]	**-311.5**	-4.0	-1.9	-0.6	-1.6	-33.8	-181.6	6.5	1.8	**-32.1**	-64.1
Percent Change[b]	***-1.8%***	-1.7%	-2.5%	-0.1%	-0.4%	-0.9%	-2.7%	1.1%	0.3%	**-1.6%**	-2.7%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.3	12.4	9.1	9.1	8.5	9.0	5.0	4.7	**6.2**	7.4
Participation Rate, 2009 avg (SA)	***67.4***	59.1	67.8	64.6	64.8	65.4	67.4	69.4	70.3	**74.5**	65.9
Average Weekly Earnings											
June 2009	**823.23**	804.81	691.63	726.11	737.45	770.86	843.43	765.26	803.77	**962.77**	798.75
Y/Y Percent Increase[c]	***1.9%***	4.9%	6.7%	2.6%	1.8%	2.7%	0.7%	2.8%	2.6%	**4.3%**	1.4%
2009 Wage Settlements										**2.5%**	
CPI Inflation											
August Annual NEW!	**-0.8%**	-0.7%	-0.8%	-0.8%	-0.2%	0.4%	-1.0%	-0.4%	0.8%	**-1.7%**	-1.1%
Excluding Shelter	**-0.2%**	0.3%	1.4%	-0.1%	0.2%	0.4%	-0.7%	-0.8%	0.0%	**0.1%**	-0.3%
Housing Starts (000s)											
SAAR August 2009	**150.4**	2.4	1.0	4.2	3.7	47.2	44.2	5.0	5.1	**18.4**	19.2
Retail Sales											
Percent Change[d]	**-2.7%**	5.7%	-0.1%	2.8%	-1.0%	-0.3%	-2.9%	1.3%	1.1%	**-6.5%**	-6.9%
2009 YTD Retail Sales Growth	**-5.6%**	1.3%	-1.6%	-2.4%	-2.1%	-3.3%	-5.0%	-3.6%	-3.1%	**-10.2%**	-9.2%
Manufacturing Shipments											
Percent Change[d] NEW!	**-21.9%**	-35.7%	-14.2%	-22.5%	-30.4%	-15.4%	-21.3%	-18.8%	-23.2%	**-33.4%**	-20.7%

a. Over the past 12 months
b. August 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to June 2009
d. July 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada